NDIA

Sea Power 21

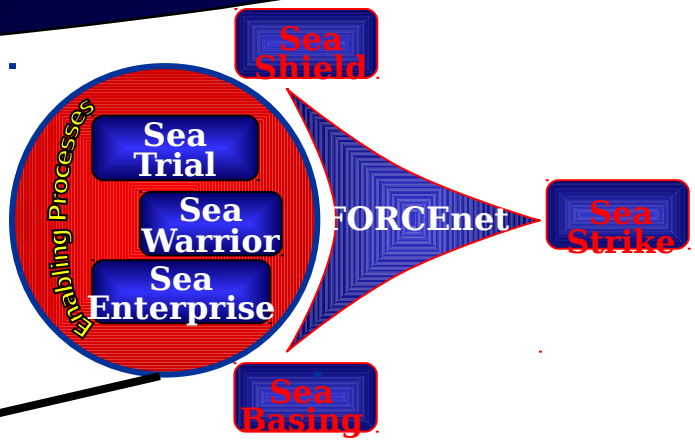
Projecting decisive joint capabilities!

Sea Enterprise

Right *Force*
Right *Readiness*
Right *Cost*

RDML Bill Kowba

What is Sea Enterprise?
Sea Power 21



SEA ENTERPRISE

Resourcing Tomorrow's Fleet…optimum resource allocation, increased productivity, enhanced procurement

entify & harvest efficiencies
- **Divest non-core functions**
- **Organizational streamlining**
- **Manpower reduction through technology insertion and process alignment**

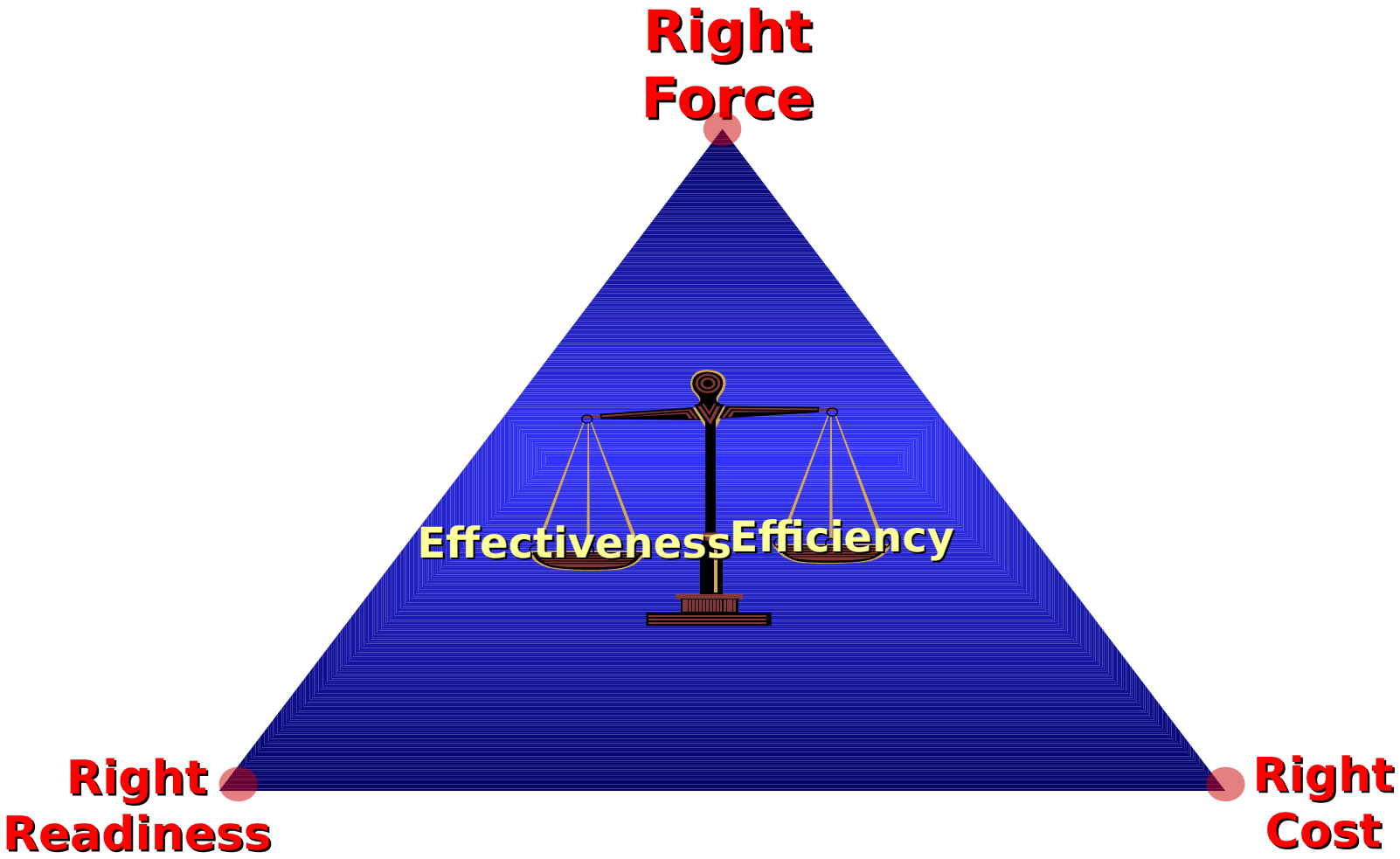
nd future readiness
- **Enhanced investment in warfighting capabili**
- **Accelerate transformation**

culcate culture of productivity

Sea Enterprise

Right Force… *Right Readiness…* *Right Cost…*

What is Sea Enterprise?
Balancing our Priorities

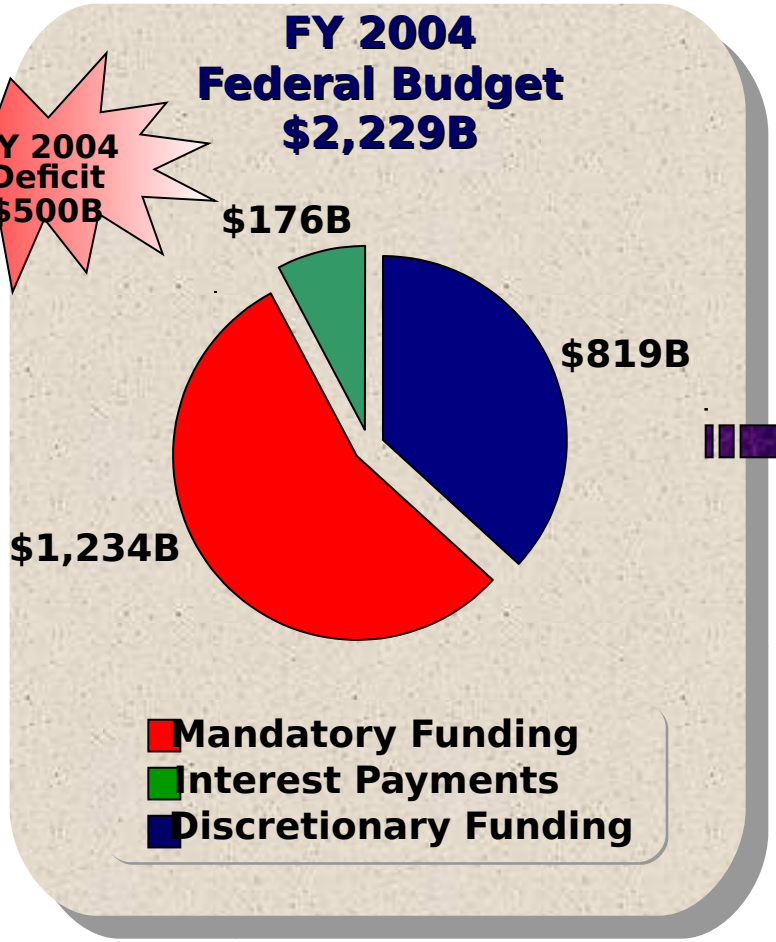


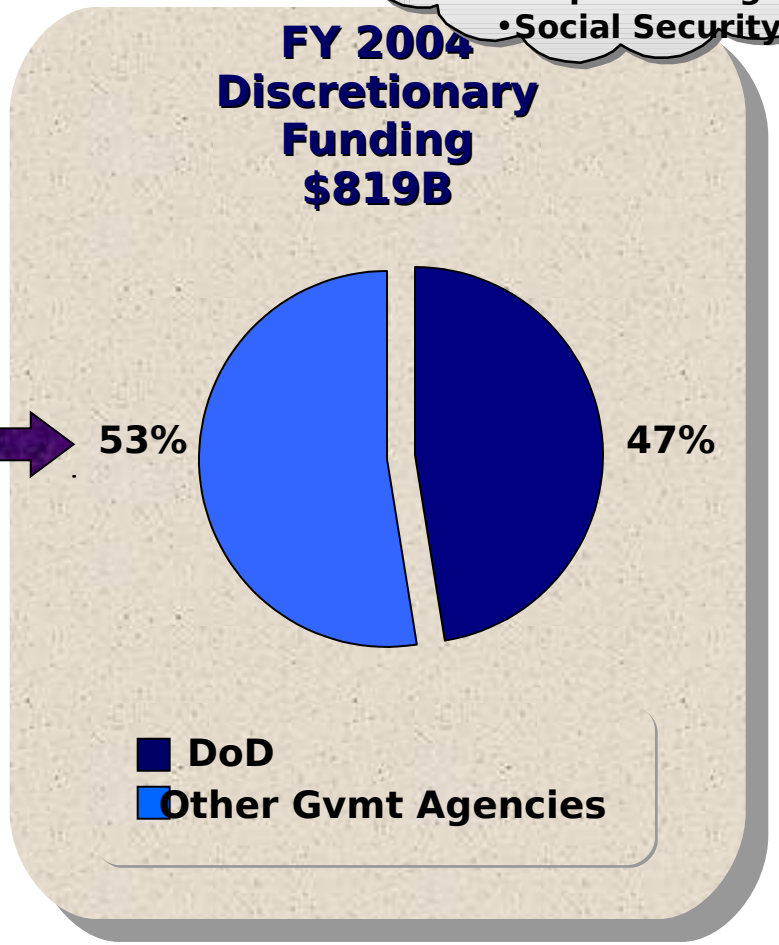
Right Force... *Right Readiness...* *Right Cost...*

Why Sea Enterprise?
#1. Right thing to do for the tax payer!

Competing Priorities
- Rebuilding Iraq
- Homeland Security
- Infrastructure
- Prescription Drug Plan
- Social Security

FY 2004 Deficit $500B





Why Sea Enterprise?
#2. Our bosses are telling us to do it!

What Are Our Leaders Saying?

"…transforming the military. What is different today is this sense of urgency: The need to build this future force while fighting this present war. It is like overhauling a car engine while you are going 80 miles an hour."

George W. Bush
President of the United States

"We simply have to transform this place. It is every bit as important to the success of the global war on terrorism as the other things we're doing."

Donald B. Rumsfeld
Secretary of Defense

"…this is a time of transformation – one because the leadership in government has dictated it, and two I've already defined it, a great deal of change is going to take place whether anybody has mandated it or not."

ADM Vern Clark
Chief of Naval Operations

Why Sea Enterprise?
#3. Right thing for the Navy!

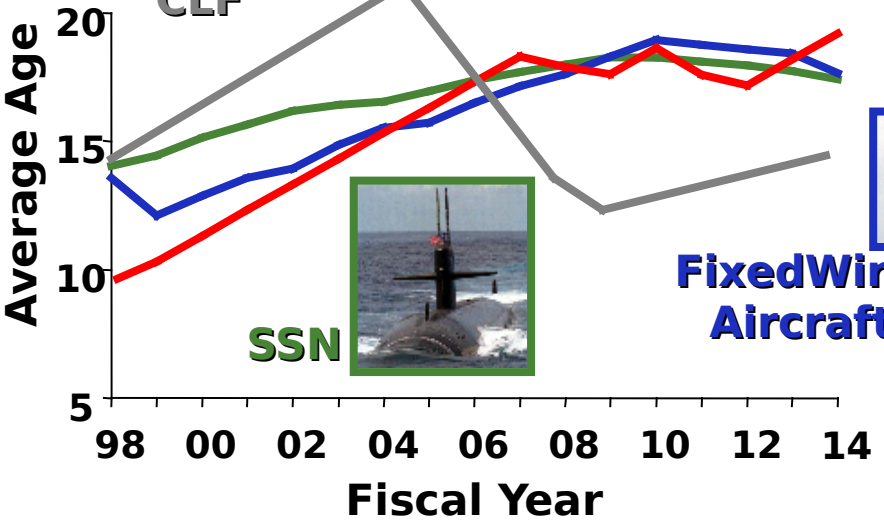
Years of under investment in new acquisition/ modernization…

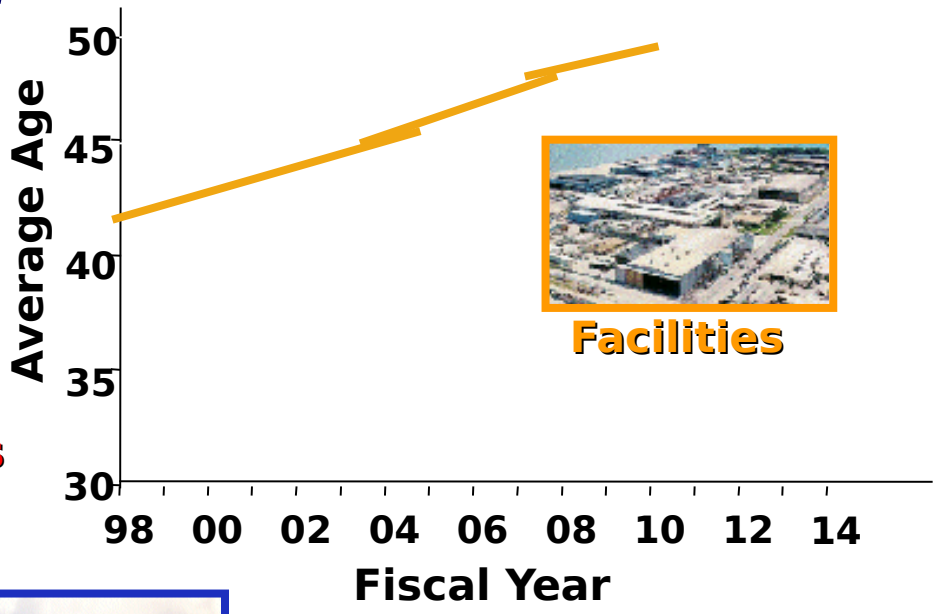
Surface Combatants

CLF

SSN

FixedWing Aircraft





Facilities

…Results in an aging Force Structure

Sea Enterprise Bottom Line:
Critical to Sea Power 21

Sea Power 21

Sea Shield
Projecting Defense...
assure allies, deter adversaries, sustain

Enabling Processes
- Sea Trial
- Sea Warrior
- Sea Enterprise

FORCEnet

Sea Strike
Projecting Offense...
responsive, precise, and persistent

Sea Basing
Projecting Sovereignty...
joint power from the sea

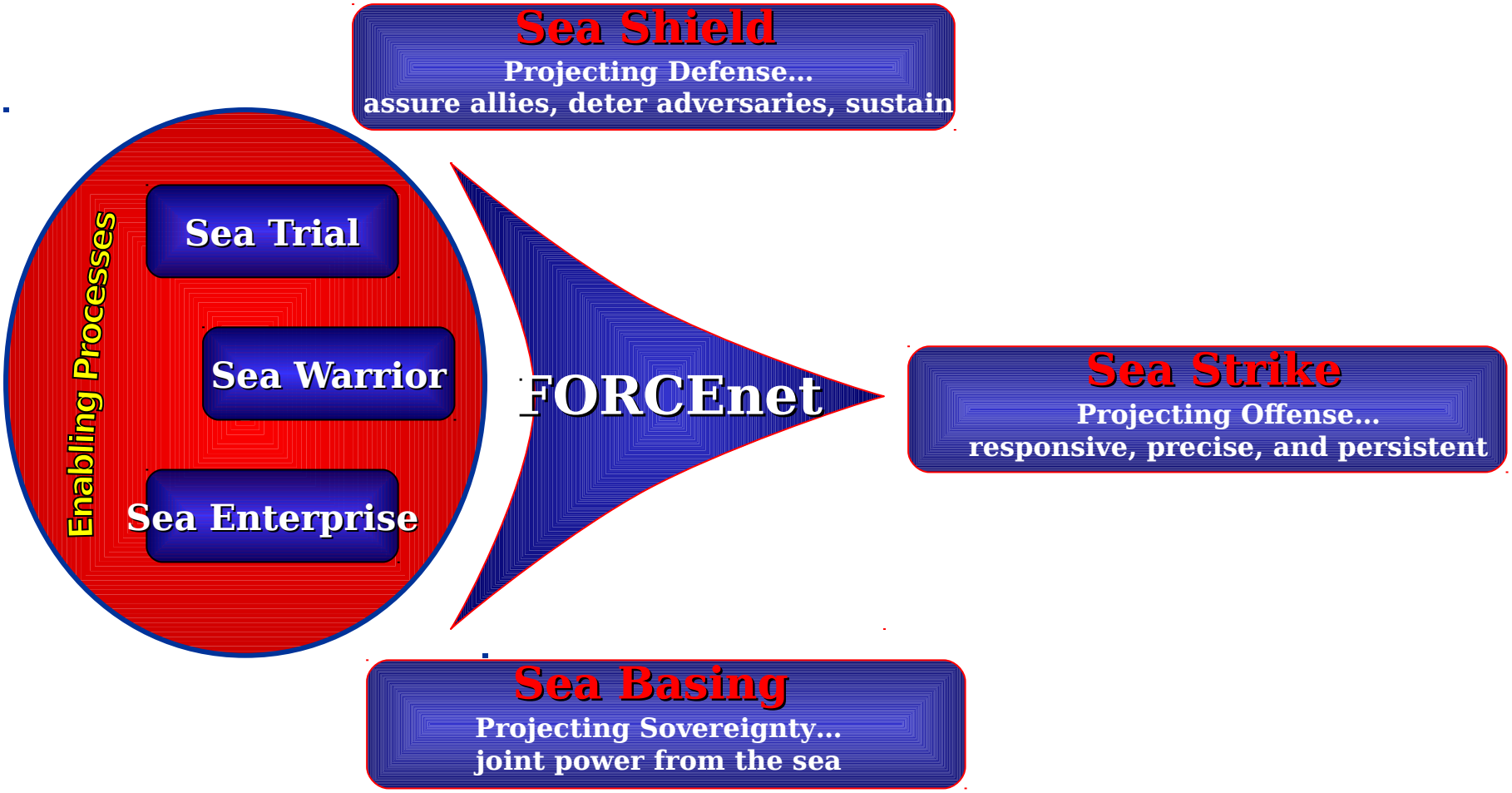
Right Force... *Right Readiness...* *Right Cost...*

BACKUP

Sea Enterprise

- **What is *Sea Enterprise*?**
- **Why *Sea Enterprise*?**
- **How is the Navy approaching *Sea Enterprise*?**
- **What's changing with *Sea Enterprise*?**

Sea Power 21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Why Sea Enterprise?

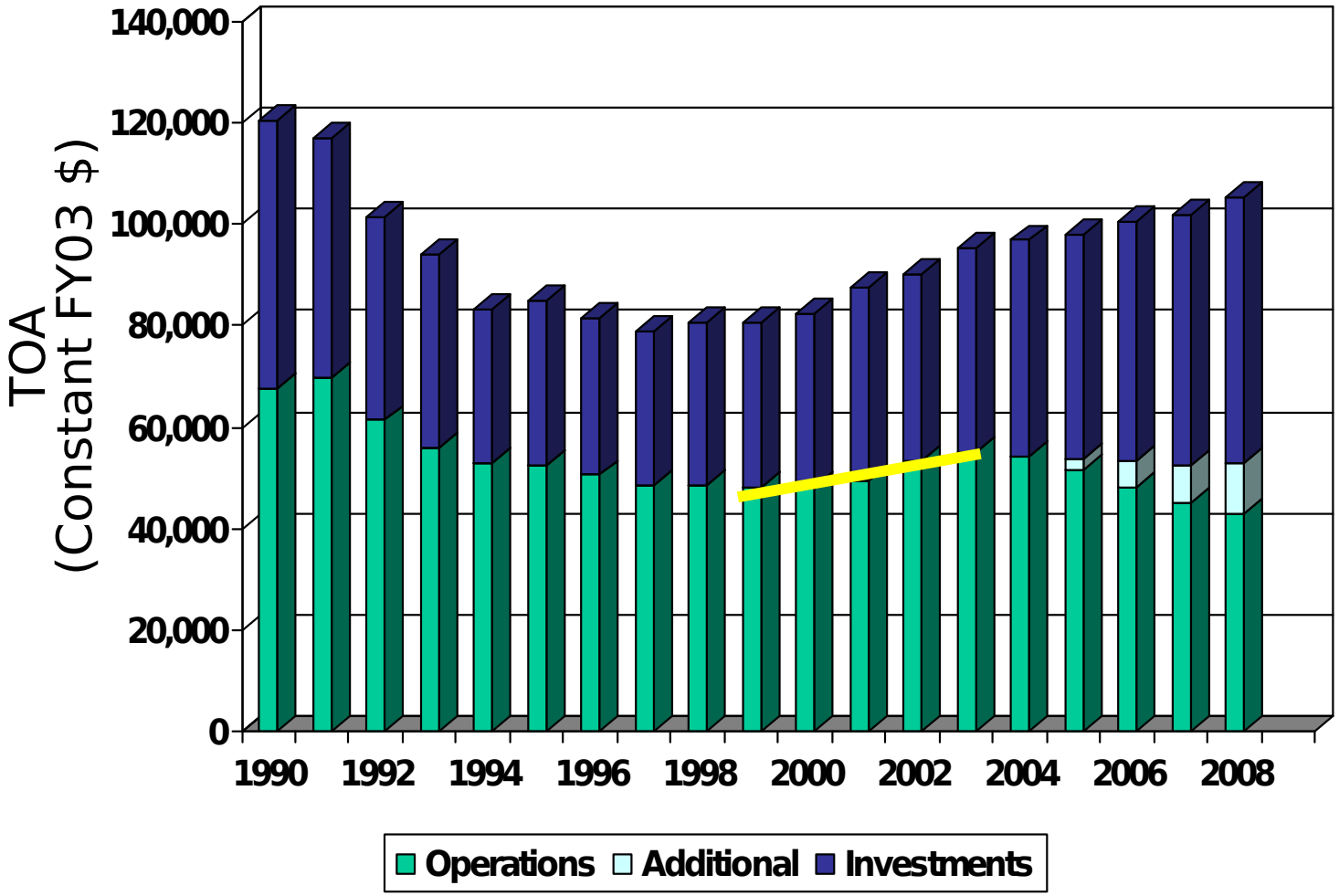
#1. Right thing to do for the tax payer!

#2. Our bosses are telling us to do it!

#3. Right thing for the Navy!

Why Sea Enterprise?
#3. Right thing for the Navy!

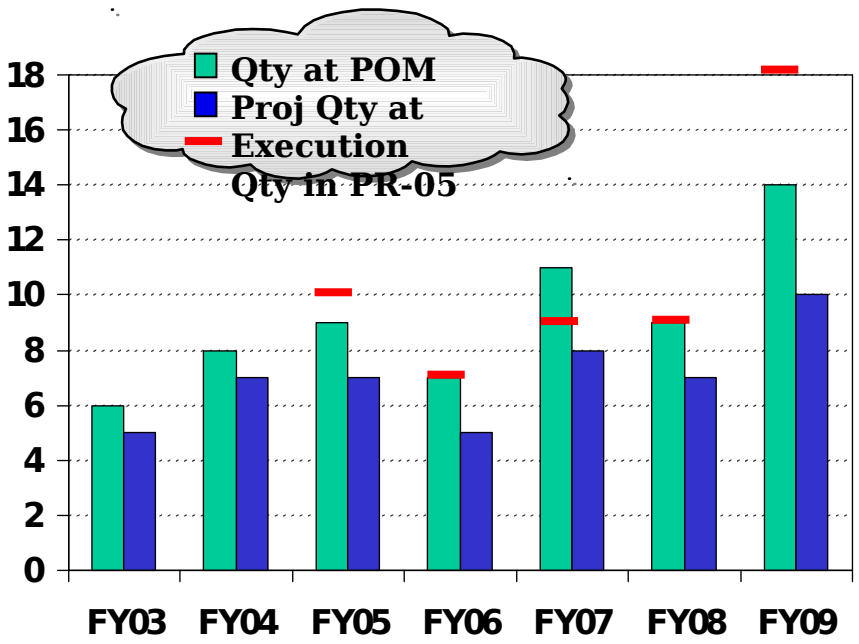
Operations vs. Investments



Why Sea Enterprise?
#3. Right thing for the Navy!

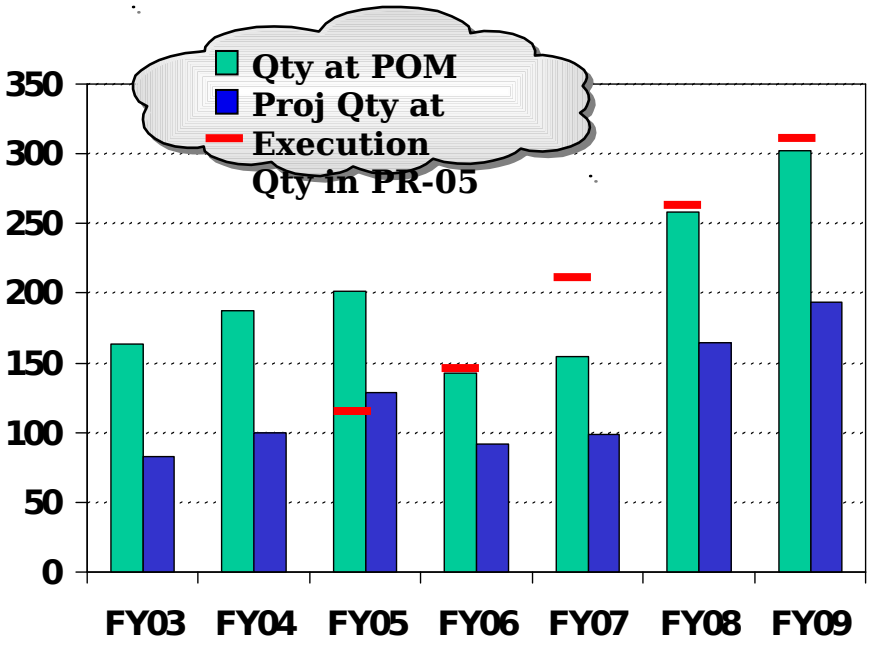
Planned vs. Procured

Ship Construction



History says 26% reduction in quantity

Aircraft Procurement



History says 36% reduction in quantity

Right Force... *Right Readiness...* *Right Cost...*

How is the Navy Approaching Sea Enterprise?
Governance/Process

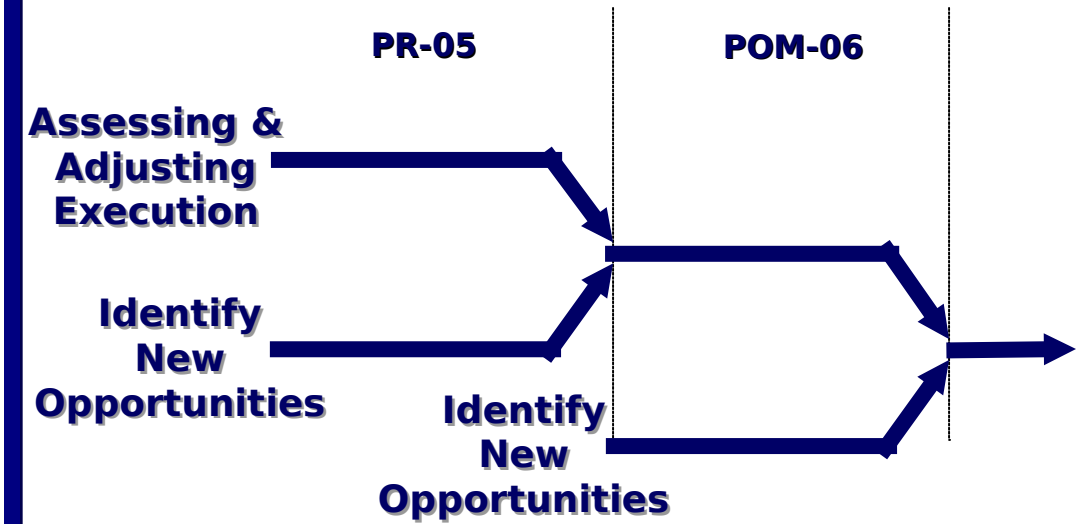
Governance

CNO

Sea Enterprise BOD
VCNO-ASN(RD&A) (Co-chairs)
DNS-N1-N4-N6/7-N8
NAVAIR-NAVSEA-CFFC-CNI
USMC - others as required

Sea Enterprise Initiatives

Process



Right Force... *Right Readiness...* *Right Cost...*

How is the Navy Approaching Sea Enterprise?

CNO Echelon II Reviews - Feedback

CNO talks about…..

- ***Sea Enterprise* essential to *Sea Power 21***
- **Leader's job is to accomplish mission and control costs**
  - **Understanding and controlling costs**
  - **Enhancing productivity**
  - **Defining and measuring output**
- **Trading off risk vs. capabilities**
- **Maximizing ROI**
- **Can no longer afford:**
  - **Costs growing at the rate of inflation**
  - **Readiness at any cost**

How is the Navy Approaching Sea Enterprise?

CNO focuses on…..

- Alignment (leadership, organizations, authorities)
- Where are the “humanoids”?
- HR strategy…right mix Civ/MIL/Ktr
- Barriers to efficiency
- Output metrics and ROI
- Right output/right cost/right risk?
- “Skunkworks” ideas

How is the Navy Approaching Sea Enterprise?

CNO Echelon II Reviews – Lessons Learned

- Lack of business plan (HR/IT/Fin)
- Understanding productivity
- Understanding optimal manning levels/mix
- Holding leadership accountable for mission and cost
- Agile and responsive while freeing resources
- Expand interdependencies…eliminate redundancies
- Benchmark and assess
- Align and flatten organizations
- Self-imposed efficiency targets
- Clarify accountability and authority
- Output levels = “needs”…not “wants”
- Baseline/business case accuracy

How is the Navy Approaching Sea Enterprise?
Strategic Imperatives

#1: Change Culture/Behaviors
- Communicate the vision
- Readiness & productivity
- Execution & accountability
- Enterprise focus
- Align incentives

#2: Change Structure and Processes
- Leverage existing initiatives
- Identify better ways of doing business
- Establish metrics…drive performance

#3: Harvest Savings
- Savings targets
- Establish escrow account

What's Changing with Sea Enterprise?

- ✓ Enterprise-wide:
  - Approach to transformation
  - View of targeted efficiencies
  - Decision-making
- ✓ Senior leaders focused on execution
- ✓ Savings directed to recapitalization

What's Changing with Sea Enterprise?
Assessment

Internal Use Only

Kotter's "Eight-Stage" Process								
Level	1 Establishing a Sense of Urgency	2 Creating the Guiding Coalition	3 Developing a Vision & Strategy	4 Communicating the Change Vision	5 Empowering Broad Based Action	6 Generating Short Term Wins	7 Consolidating Gains & Producing More Change	8 Anchoring New Approaches in the Culture
Senior Leadership								
Mid-level Management								
Workforce								
Overall								

Sea Enterprise
Executive's Role

- Communicate Sea Enterprise vision
  - Ensure workforce alignment
- Challenge assumptions/encourage innovation
  - Maintain enterprise perspective
  - Discern between “wants” and “needs”
- Maximize productivity
  - Define and measure output
  - Understand, control and reduce cost
  - Trade-off risks vs. capabilities
- Drive execution to accomplish mission
  - Focus on product of the plan
  - Manage by metrics

Sea Enterprise is a Journey…You Need to Lead!